

BOB F. ANDERSON, PE, INC.
PETROLEUM ENGINEERS & CONSULTANTS
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December 5, 2003

Honorable James H. Welsh,
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: **APPLICATION FOR PUBLIC HEARING**
Proposed Alternate Unit Well
Upper Hosston Formation
Proposed U HOSS H
West Arcadia Field
Bienville Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of **SMITH OPERATING AND MANAGEMENT CO.** (Applicant), to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Upper Hosston Formation, West Arcadia Field, Bienville Parish, Louisiana:

1. To permit the applicant to drill, designate and utilize one (1) additional alternate unit well for the exploration for and the production of gas and condensate for the Upper Hosston Formation, West Arcadia Field, Bienville Parish, Louisiana, in the unit designated U HOSS SUH, in exception to the spacing provisions of the 692 Series of Office of Conservation Orders, such unit and well shown on the attached plat and being made a part hereof.
2. To find that an additional well is necessary on the U HOSS SUH to drain a portion of the unit that cannot be drained by any other well located therein.
3. To permit the unit operator to produce the assigned unit allowable from the unit well, the alternate unit well or from all wells at the discretion of the unit operator.
4. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Upper Hosston Formation in the West Arcadia Field, Bienville Parish, Louisiana, was fully defined in the 692 Series of Office of Conservation Orders.

Hon. James H. Welsh
West Arcadia Field
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The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318-425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained **at the expense of the requesting party.**

A pre-hearing notice was sent to all parties stating a time and date for a conference to discuss the proposed application and any objections thereto, however, no requests for a conference was received, therefore, no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list. Upon receipt of the legal notice, it will be posted in a prominent place and will be published in a newspaper of general circulation in the area of the West Arcadia Field.

Attached in our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly,



B. F. Anderson, PE for
SMITH OPERATING AND MANAGEMENT CO.

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation
Interested Owners, Represented Parties and Interested Parties

R 6 W

BUFFCO
KENDRICK
1
8219'

SUF

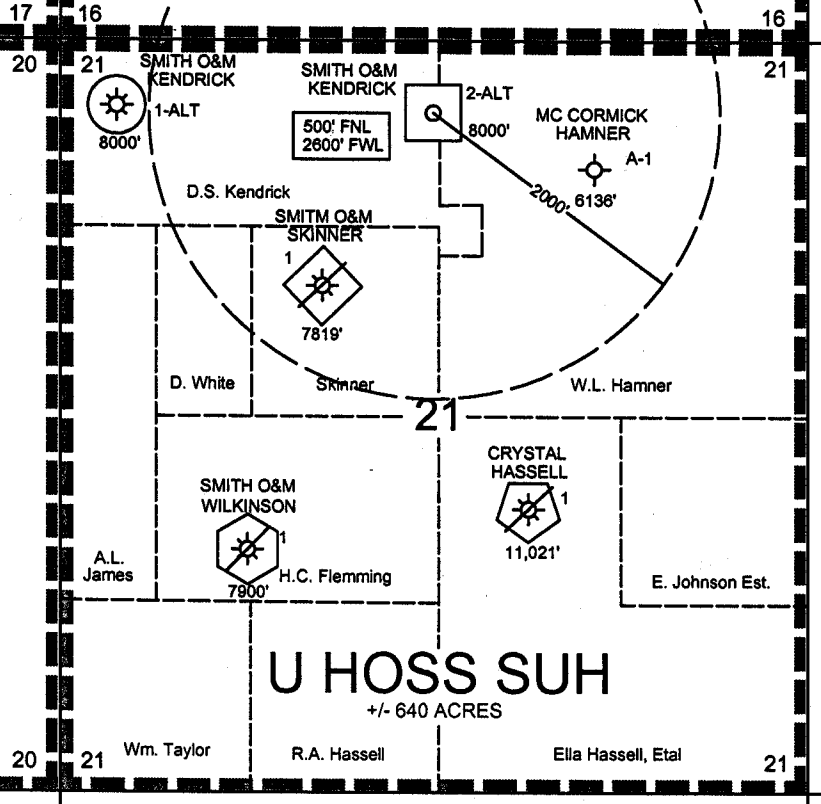
CRAWFORD
HAMNER
1
12,835'

U HOSS SUE
+/- 640 ACRES

T
18
N

CRYSTAL
JONES
1
7835'

O BRIEN
SPEER
1-ALT
7900'
SUG



EXISTING UNIT (UPPER HOSSTON)



EXISTING ALTERNATE UNIT WELL (U HOSS SUH)



PROPOSED ALTERNATE UNIT WELL (U HOSS SUH)
AT AN EXCEPTIONAL LOCATION



FORMER UNIT WELL (U HOSS SUH)



UPPER HOSSTON WELL (ACTIVE)



UPPER HOSSTON WELL (INACTIVE)



UPPER HOSS & PETTET WELL (INACTIVE)



PETTET WELL (ACTIVE)



SMITH OPERATING & MANAGEMENT

WEST ARCADIA FIELD
BIENVILLE PARISH, LOUISIANA

PROPOSED ALTERNATE UNIT WELL
AT EXCEPTIONAL LOCATION

U HOSS SUH; KENDRICK NO.2-ALT

EXHIBIT NO.1